



2006 MEDICARE ADVANTAGE APPLICATIONS

January 21, 2005

The publication of the final regulations for Titles I and II of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) on January 21 is a critical milestone in implementing the MMA. The final regulations represent the extraordinary achievement of all Medicare Advantage stakeholders. Even as this milestone is met we must continue to work cooperatively to fulfill the new opportunities for beneficiary choices, the prescription drug benefit, and program improvements promised by the MMA.

Today, CMS posted the final versions of the applications for the 2006 Medicare Advantage (MA) products and the final materials to implement the prescription drug benefit program envisioned by the Act. These materials are consistent with the published regulations and reflect many comments we received on the December drafts. Thank you for your important contributions to the content of the MA application and its process.

These final documents and the streamlined process to review them reflect CMS's determination, with your encouragement, to maximize the efficient use of applicant data, speed the application process, and reduce applicant and agency burden. Several highlights from the 2006 application package demonstrate our commitment:

- The 2006 application formats remain similar to the previous formats to reduce applicant preparation time;
- A single set of instructions applies to all applications;
- Requests for duplicative and/or information not tied directly to regulatory requirements have been dropped from applications;
- Abbreviated applications and use of data already in CMS's contractor data base will ease the application process for current MA contractors as they add additional products or service areas; and
- Much of the transition by current MA/M+C contractors to the 2006 MMA requirements will be accomplished by our reliance on CMS core data and our experience with current contractors.

To assist potential applicants for MA contracts in 2006, we have posted a new set of questions and answers (Q and As) about the final MA applications and application process at <http://www.cms.hhs.gov/healthplans/applications/>. We strongly encourage applicants to review these Q and As carefully prior to applying. We have also designated the following individuals to answer your questions about specific MA applications:

- Local Coordinated Care Plan (HMO, HMO-POS, PSO)...Ann Moses 410-786-1167
amoses@cms.hhs.gov
- Regional Preferred Provider Organization (RPPO)...Helaine Fingold 410-786-5014
hfigold@cms.hhs.gov
- Private Fee-For-Service Organization (PFFS).....Mervyn John 410-786-1141
mjohn@cms.hhs.gov
- Medical Savings Account (MSA)Donna Dalfonzo-Wiggs 410-786-9289
ddalfonzowiggs@cms.hhs.gov
- Service Area Expansion (CCP, PFFS)..... Lisa Littleaxe 214-767-6436
llittleaxe@cms.hhs.gov


Now that the new regulations and application materials are in place, there are many other tasks to complete before 2006 contracts can be awarded in September. CMS will conduct training for the industry on the MA and prescription drug plan applications, as well as the competitive bidding program during the next two months. In March, we will publish the 2006 Call Letter providing specific guidance on the 2006 contracting and bidding processes. Applications for new 2006 products and service area expansions, and transitions of current plans to the 2006 MMA requirements are due on March 23, 2005 and must be reviewed before the competitive bids are due on June 6, 2005. CMS will maintain a common calendar for Medicare Advantage and the Medicare Prescription Drug Benefit at <http://www.cms.hhs.gov/medicarereform/mma-t1t2-calendar.pdf> with schedules and deadlines so you can stay up-to-date on the critical timeframes. We will update this timeline regularly, and we strongly encourage you to consult it frequently to assure that you do not miss a critical time.

In addition, a Resource List with links to critical MMA implementation documents for health plans can be found at <http://www.cms.hhs.gov/healthplans/applications/resources.pdf>.

If you are a contracting organization, please keep your contact information in the Health Plan Management System (HPMS) up to date. With such tight timeframes, it is critical that the names, street addresses, phone numbers and email addresses listed for your organization's contracts be correct at all times. If you are having difficulty with HPMS, please contact the HPMS Help Desk at 1-800-220-2028.

Again, thank you for your cooperation in developing the MA and PDP application materials. We look forward to continuing this collaborative relationship in the months to come.

Sincerely,



Patricia P. Smith
Director
Medicare Advantage Group